

Report On
“Merchandising Activities of Zon Ron Sweaters Ltd.”

By

Md Azadur Rahman Sami

ID: 16304062

An internship report submitted to the BRAC University Business School in partial fulfillment of
the requirements for the degree of Bachelor of Business Administration

BRAC Business School

BRAC University

December 2020

© 2020. BRAC University

All rights reserved.

LETTER OF DECLARATION

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Md Azadur Rahman Sami

ID- 16304062

Supervisor's Full Name & Signature:

Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

LETTER OF TRANSMITTAL

Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: **Internship report on “Merchandising Activities of Zon Ron Sweaters Ltd.”**

Dear Sir,

With great pleasure, here I am submitting my internship report on Merchandising Activities of Zon Ron Sweaters Ltd. that you have approved & assigned as a compulsory requirement of BBA program. I have tried my level best to bring out the original scenario of Zon Ron with full of effectiveness & efficiency.

I have really learned a lot and have gained valuable experience and knowledge while collecting information for the report. It was certainly a great opportunity for me to work on this real life project to actualize my theoretical knowledge in the practical arena.

I hope that this project paper has been to your expectation, if you come across any question or queries regarding these cases, it will be my pleasure to clarify your questions.

Sincerely Yours,

Md Azadur Rahman Sami

ID: 16304062

BRAC Business School

BRAC University

Date: December 3, 2020

ACKNOWLEDGEMENT

To begin with, I want to thank Almighty Allah for everything. With the help of the Almighty Allah, my parents, teachers and colleagues I have successfully completed this report after finishing my internship period. Secondly, I would like to express my enormous gratefulness towards my advisor, Assistant Professor Riyashad Ahmed Faculty of BRAC Business School, BRAC University, for his continuous support and observation.

Moreover, I need to thank Mr. Zaed Ul Huq (Dipu) general manager of merchandising department and Ruhul Amin Imran general manager of marketing department at ZON RON SWEATERS LTD under their supervision I have completed my internship. Additionally, I would like to thank all my other colleagues of Zon Ron Sweaters Ltd for their guidance and support during the entire tenure of internship. Last but not the least; I am thankful to BRAC University for which I am standing here on the cliff of receiving my bachelor degree successfully.

I have tried to complete this report with full commitment. Any kind of observations or recommendations concerning this will be greatly appreciated.

EXECUTIVE SUMMARY

As part of my BBA program, I have completed my three months internship program from a well-known organization named “Zon Ron Sweaters Ltd”. During my internship period, I have gained valuable knowledge and experience in the field of Merchandising and Marketing too.

So, based on my learning and experience from the organization I have completed my internship report on the “Merchandising Division of Zon Ron Sweaters Ltd”. In this paper I have tried to focus and analyze the core “Merchandising of Zon Ron Sweaters Ltd” and what kind of value and services they are providing to their buyers.

In the first chapter, I have discussed about present scenario of garments industry of the Bangladesh and the scope of the study, the objectives of the report, sources of the information and the limitation of the study. Most of the information of this report collected from secondary sources like profile of Zon Ron Sweaters Ltd and Merchandising related books as well as primary sources.

In the second chapter, I would like to introduce Zon Ron Sweaters Ltd. Zon Ron Sweaters Ltd activities like how it’s works on. Like mission of the company, vision of the company and most importantly objectives of the organization. I also discussed about the Compliance and Certification, list of machinery and production capacity, main products of the Zon Ron Sweaters Ltd.

In the third chapter, I discussed about overall merchandising activities of Zon Ron Sweaters Ltd including marketing department, finance department and production department. I discussed in this chapter each department by details. In the chapter I would showcase full merchandising activities of Zon Ron Sweaters Ltd that related to sample making to shipment of the goods.

In the fourth chapter, I would write about some finding and give recommendation for the betterment of Zon Ron Sweaters Ltd. I have learnt many aspects of Merchandising, working with different sections of the company. Mainly working with Merchandising Division of the buying was a great learning opportunity.

Table of Contents

Report On “Merchandising Activities of Zon Ron Sweaters Ltd.”	i
LETTER OF DECLARATION	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
EXECUTIVE SUMMARY	v
Chapter- One.....	8
Introduction.....	8
Introduction:.....	9
Origin of the report:	9
Scope of the study:.....	10
Objectives of the Report:	10
Methodology of the Study:	10
Sources of Data Collection:	10
Primary Data	10
Secondary Data	11
Limitations of the study:	11
Chapter- Two	12
Company Profile	12
History:	13
Mission of the Organization:.....	14
Vision of the organization:.....	14
Objectives of the organization:	14
Our Existing Buyers:.....	17
List of Machinery and Production Capacity:	18
At a Glance Factory:	20
Chapter- Three	21
Merchandising Activities of Zon Ron Sweaters Ltd.....	21
Introduction:.....	22
Production Department	22
Sample section:	23
Types of samples:	24

The details attached with the Garments sample:.....	25
Objectives of the sample making:	25
Methods of purchasing raw materials:	26
Bulk Production:	26
Preparing Accessories List:.....	28
Financial Department.....	31
Cash outflow:	31
Commercial:.....	32
L/C opening procedures in Bank:	32
Liaison with the shipping lines:	33
Marketing Department	33
Market Strategy of Zon Ron Sweaters Ltd.:	33
Marketing Mix of Zon Ron Sweaters Ltd:	37
Chapter- Four	43
Findings, Recommendations and Conclusion.....	43
Findings:	44
Recommendations:.....	44
Conclusion:	45
References:.....	46

Chapter- One

Introduction

Introduction:

Since 1978, RMG (Ready Made Garment) sector plays a vital role in development of our Bangladesh's economy and it has emerged as a key player. About 85% of Bangladesh's total export earning comes from Textiles and Clothing. Out of which, 75% comes from the attire division which covers the major items of knit and woven shirts, pullovers, pants, skirts, shorts, coats, sweaters, sports wears and numerous more casual and design things. The division as of now utilizes around 1.5+ million laborers, generally females who come from underprivileged social classes. I have completed this report on the premise of all the department of RMG sector such as Marketing Department, Commercial Department, Production Department, Supply Chain Department, Human Resource Department, Compliance Department, MIS Department, and pertinent organization like BGMEA, BKMEA, Export Promotion Buru, Yarn providers, Chittagong Port, Insurance Company, Shipping Company. Thus, by finishing this report I get by and large thought regarding RMG area, so it conveys more an incentive than any books.

I preferred this attachment in Zon Ron Sweaters Ltd, which is a 100% export oriented composite knit industry. For continuing the study of internship in the Zon Ron Sweaters Ltd. I almost worked through all the sections of this company and made an attempt to come up with the enterprises of this company.

Origin of the report:

As a student of Business Administration, I had to complete 90 days internship program with any organization. My attachment was with Zon Ron Sweaters Limited and I worked as an intern from 1st January, 2020 to, 30th April, 2020. The purpose of the study is to provide the real-life perspective and insight of business in relation to the theory that we have studied in the BBA program.

Scope of the study:

As a student of BBA, it is very much necessary for me to know about the formal process of merchandising activities of Zon Ron Sweaters Ltd. I have worked in factory that helped me to get myself familiarized with the official and factory environment in a garments industry for the first time.

Objectives of the Report:

- To learn about the company profile of Zon Ron Sweaters Ltd.
- To identify the Merchandising activities of Zon Ron Sweaters Ltd.
- To identify some problems facing by Zon Ron Sweaters Ltd.
- To suggest some solutions of those identified problems.

Methodology of the Study:

The report incorporates both primary and secondary data. But most of the data utilized in this report was collected from primary sources. Hence, the report is essentially qualitative in nature. Be that as it may, secondary information is additionally utilized depending on the requirement.

Sources of Data Collection:

Primary Data

The primary data were gathered on the basis of:

- a. Observation method was followed, though I am Finance major but still my BBA program courses which included marketing helped me in researching about this company.
- b. Interview with merchandisers and marketing peoples.
- c. Discussing in group with the company personnel and clients.

Secondary Data

The secondary data were gathered on the basis of:

- a. Organizational profile of Zon Ron Sweater Ltd.
- b. Internet and web sites
- c. Media.
- d. Books which contain necessary information about Marketing and Merchandising.

Limitations of the study:

I tried my level best to enrich and complete this report although there are some limitations which are as follows:

- a) Unfortunately, due to the company's limitations (business secrecy and confidentiality), I was unable to acquire sufficient information.
- b) Time which was less which also was a drawback for me. Gathering a huge amount of information during working for only few months was very challenging.
- c) Lack of my Experience, sometimes I was unable to realize some company terms and conditions, as my knowledge was mainly theoretical.

Chapter- Two

Company Profile

History:

Zon Ron Sweaters Ltd is a well-known organization operating in the RMG sector in Bangladesh which was established in 2003 in Savar, Dhaka for meeting the demand of good quality garment worldwide. Starting with only 500 manual knitting machines in 2003, we reached up to 1270 machine running capacity by 2014. We have installed 145 auto knitting machines in July 2014. We have ordered another set of 212 Nos Jacquard machine to Shima Seiki, Japan which will be in production from beginning February, 2018. Thus, total Jacquard machine have 613 Nos and production capacity will be 6 million Pcs from February 2018. We are trying our best to provide international services. Zon Ron Sweaters is a 100% export oriented professional manufacturer of sweaters. We have adopted 'Lean System' & 'Kaizen' method strictly. Zon Ron Sweaters Ltd. is one of the biggest sweater garment factories in Bangladesh.

Zon Ron Sweaters Ltd is a model in numerous viewpoints within the knitwear manufacturing industry in Bangladesh and holds particular reputation as a source of quality sew pieces of clothing, working in collaboration with reputed brands in Europe, Italy, US and USA with reliability and confidence. The main buyers are OVS, LIDL, CAMAIEU, LPP, NEXT etc. There are 628 knitting machine which production capacity are very high.



Figure 1: Zon Ron Sweaters Ltd

The management of the group is vested with a team of professionals under direct supervision of the Director, General Managers, Factory and Production Managers, Departmental Heads for each section, marketing, Administrative and a Production team of 675 skilled and semi-skilled workers. The factory has been running by profoundly prepared and talented labor, which have been in this division for very a long time, and are able to keep proceeding the production process with most extreme precision and flawless finishing. The company never disappointed the buyers in terms of production and timeliness supply of sweaters. To run the production unit smoothly high-powered generator is being used as back-up sources if electricity cuts down, which gives the manufacturing chain to work spontaneously. Wide array of indoor and outdoor facilities along with safety measures is one of the prominent features.

Mission of the Organization:

Customer satisfaction is the golden rule and only achieved through sound price acceptable and on timely delivery.

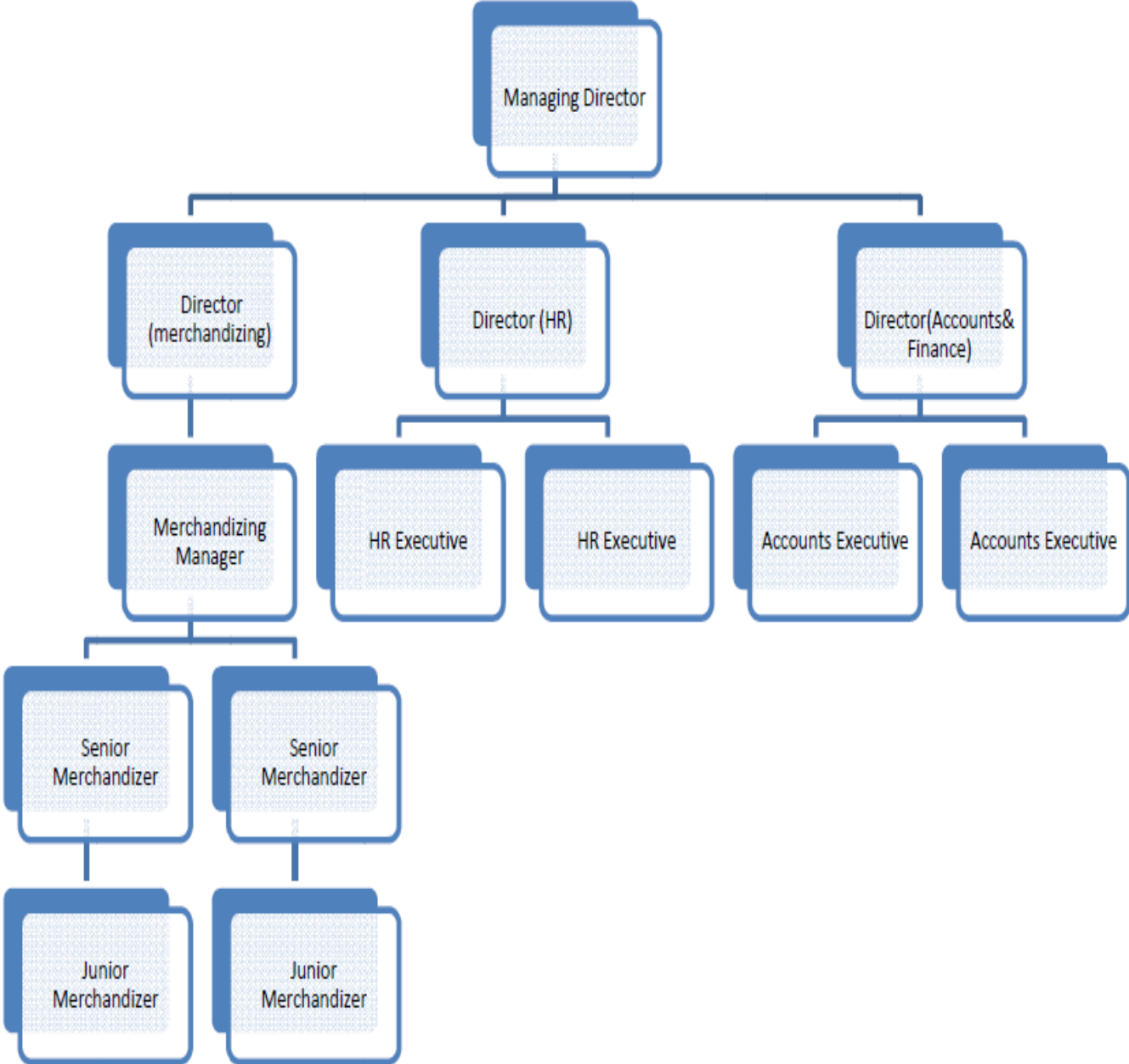
Vision of the organization:

To bring forth new ideas in modern company culture and be a part of leading trend of sweater making.

Objectives of the organization:

- We will cooperate with the Buyers and listen to their requirements.
- We will share our Resources and Capabilities.
- To lead and enrich the development of the fashion and textile industry.
- To set up ourselves as a one stop source for the worldwide knit attire market.
- To ensure 100% compliance with the international quality standards.
- To provide an environment that is friendly to the employees.
- To promote the positive growth by providing equal opportunity to all employees.

Company Hierarchy:



Compliance and Certification:

ACCORD and ALLIANCE:

Our factory is Assessed and Audited by Accord and Alliance. Now we are in process of remediation of CAPs. By this time 99% CAPs are remediated and rest are in progress.

Accord ID# 10774

Alliance ID# 10139

BSCI:

Our factory is Audited by BSCI and considered as “Compliance Factory”.

DB ID # 335674 and Audit ID # 25041

SEDEX:

Our factory is audited by SEDEX and Considered as “Compliance Factory”.

Sadex Report Reference # R-us3-1451232

AQM:

AQM – **Asia Quality Management** conducted technical audit on behalf of , France and accepted by first visit.

OEKO-TEX:

Our factory has obtained OEKO-TEX Certification

ISO

Our factory is Assessed and Audited by AGS & approved under Audit Criteria : QMS ISO 9001:2015

GOTS

We are in process to obtain GOTS certificate by November 30, 2017

Apart from above certificates, we are evaluated by below buyers :



Products of Zon Ron Sweaters Ltd:

Zon Ron Sweaters Ltd. produces different types of garment product for men and women such as:

- a. Polo Sweaters
- b. Crew-Neck Sweaters
- c. Cardigan Sweaters
- d. Pullover Sweaters
- e. V-Neck Sweaters
- f. Boat Neck Sweaters

Our Existing Buyers:

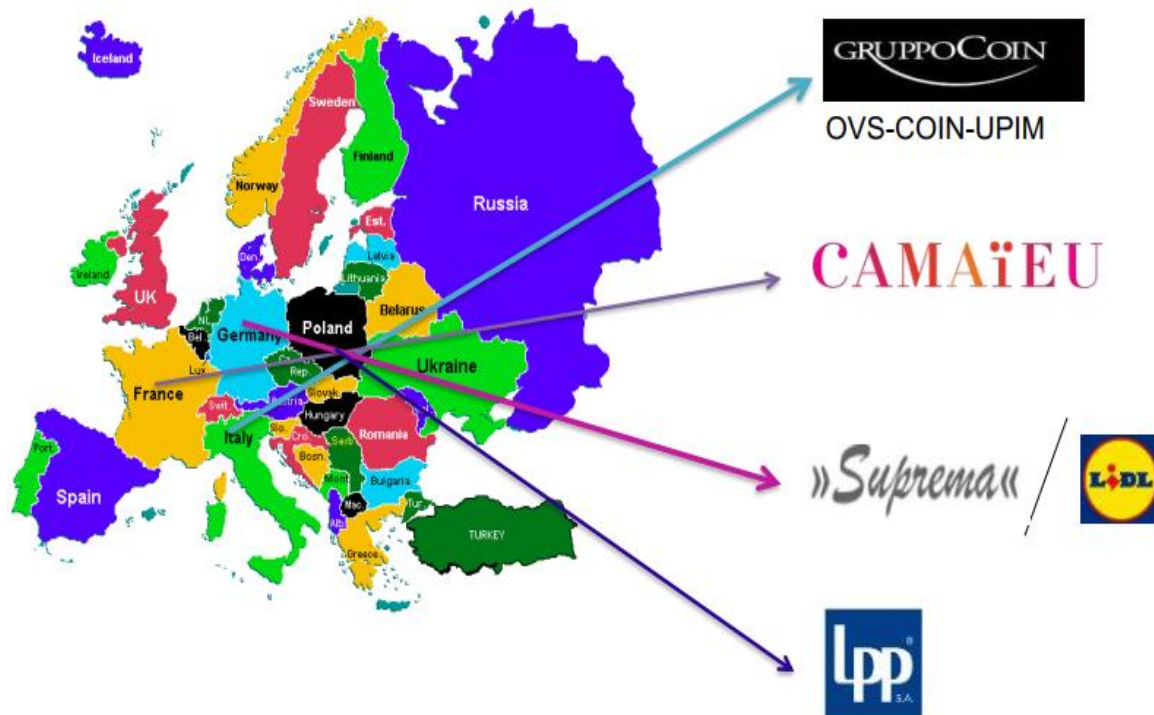


Figure 2: Our Buyers from Different Countries

List of Machinery and Production Capacity:

SL#	Gauge	Brand	Quantity (Nos.)	Capacity/Yearly
1	12G, 14G	STOLL	90	510 Nos *
		SHIMA SEIKI	420	28pcs/day=4,712,400 Pcs/Yearly
2	3G, 5G, 7G	STOLL	55	103 Nos *
		SHIMA SEIKI	48	35pcs/day=1,189,650 Pcs/Yearly
		Total	613 Nos	5902,050 Pcs/Yearly

Zon Ron Sweaters Ltd provide services to:

Importers / Buyers

- As an exporter: As they are manufacturing company, they purchased raw materials from various countries according to their needs. For sweater making propose yarn came from foreign supplier to keep the quality better. Buyers asked them to purchase yarn or others accessories from foreign suppliers for better quality.
- As a sourcing company: At the development stage, merchandisers are sourcing the accessories from different company to develop the sample as per as buyers' requirement. That time they sourcing many related companies to develop the following items.

Factories / Vendors in Bangladesh

- As an order supplier: Zon Ron Sweaters Ltd produces sweaters for supplier. They produce goods and export these goods to the different countries' buyers.

- As a liaison agent between factory and buyer: Zon Ron plays vital role as an agent. Because buyers give them order to make sweaters. For sweater making purpose they are connected with various suppliers and purchased raw materials to produce sweaters.
- For technical assistant: Sometimes buyers provide only sketch to make sweaters and the technical team make sweaters according to the picture given by the buyer.

Zon Ron Sweaters Ltd is the manufacturing plant that has the most up-to-dated machinery, labor with commitment towards conveyance and quality standard. These manufacturing plants can deliver any quantities under our guidance and control.

At a Glance Factory:

Organization	Zon Ron Sweaters LTd
Corporate Office	Zon Ron Group Navana Tower (10th Floor) 45, Gulshan South Avenue Gulshan 1, Dhaka -1212, Bangladesh
Factory	Zon Ron Sweaters Ltd. Nischintapur, Ashulia DEPZ Road Zirabo, Savar, Dhaka, Bangladesh
BGMEA Membership No.	3646
Advising /Lien/ Dealing Bank	1) Shahjalal Islami Bank Ltd. 2) Midland Bank Limited
Chairman	Mr. Zahirul Haque
Contact Persons	1) Mr. Saif Arefin Haque – CEO 2)Mr. Ataur Rahman Raju- General Manager –Operation
Total Factory Area	25,235 Sqm / 271,530 Sft
Year of Establishment	2003
Staff	450
Skilled Workers	2,200 (70% male & 30% female)
Production Capacity / Year	6 million pcs
Yearly Turnover	USD 22 million

Chapter- Three

Merchandising Activities of Zon Ron Sweaters Ltd.

Introduction:

Merchandising is a process through which products are planned, developed, executed and presented to the buyer it also includes directing and overseeing the development of the product line from beginning to end. A group of marketers and merchandisers work together under a profit control head. The main purpose of merchandisers is to deal with the foreign buyers. Garments merchandising is the procedure of buying raw materials and accessories in order to produce garments against a particular work order of garment and export these under the same work order within the given time frame, by assuring the required quantity and quality level of the buyer. The term “merchandising” has been derived from the term merchandise. Merchandise indicated to the goods that are bought and sold.

To achieve the goal of merchandising a company needs to take new orders, the shipment has to be done on time, the quality of the materials should meet up to buyers’ requirements. They need to work closely with other department like marketing department, production department and financial department of the company. Here below all three departments activities discuss with details;

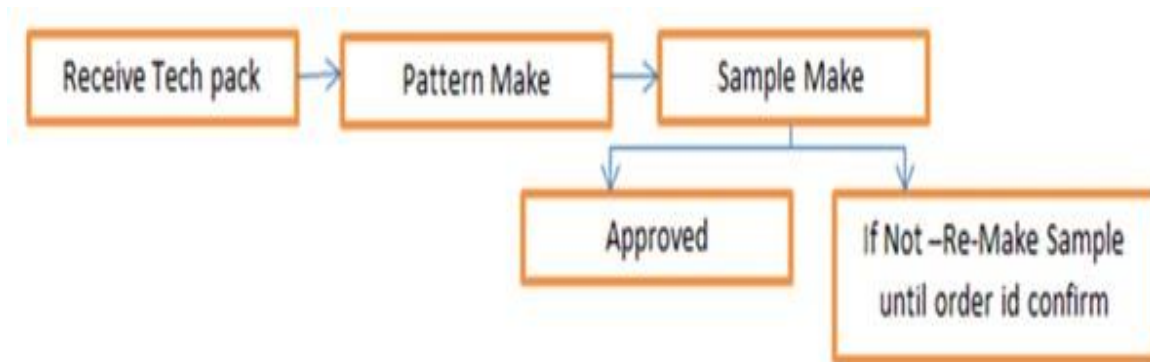
Production Department

Under production department, there are few significant sections such as sample section, knitting section, dyeing section, cutting section, printing section, washing section, quality-check section and finishing section, and so on. But all the sections are much related with other section. These sections are discussed in detail below:

Sample section:

Garment sample section is exceptionally vital department in attire manufacturing process. Garment samples are essentially important and are cross-checked before beginning the bulk production, since the buyers generally put the order after they are fulfilled with the quality of the samples. The sample decides the ability of an exporter. In the event that the samples are satisfactory and come with a sensible cost, normally the buyers will be compelled to place the order.

The sample section procedures are given here-



Receive Tech pack: Sample section first receives tech file from merchandiser so that they can initiate working with the sample. Merchandiser receive tech file from buyers via the mail.

Pattern Making: After getting tech file, the designer makes patterns or chart for the sample development.

Sample Making: After making pattern or chart then the sample is made according to buyers requirements.

Getting approved: The samples which are ready are sent to buyers for approval, and if rejected then sample will be re-made based on correct reviews.

Types of samples:

Different types of sample make according to different buyers. It depends on buyer demands. Types of samples are given below-

- ✓ Development sample
- ✓ Proto sample
- ✓ Fit sample
- ✓ Size set sample
- ✓ Pre- production sample
- ✓ Production sample
- ✓ Shipment sample
- ✓ Counter sample

Development sample: In the earlier stage of the sample making, development sample are made based on the sketch or picture given by buyers.

Photo sample: It is made to check the design of the style and present garment structure. Photo sample fit is not measured; it's only used to check the style according to tech file.

Fit sample: Fit sample is made for checking the fitting. After fit sample is ready, it is sent to the buyer, if that is not okay then it's remade based on buyers' comments.

Size set sample: Size set sample refers to different size sample of the same style. The main purpose of the sample is to check garments fitting of various sizes. Buyers' are given different size-range for checking everything.

Pre- production sample: After the bulk yarn and all accessories are in house, they need to make sample using bulk actual yarn and accessories. After buyers' approval or comments are received about this sample then the bulk production will start.

Production sample: For the assurance of quality and other factors buyers take this sample to check if the factory is following pre-production sample or not.

Shipment sample: Three – four samples are sent to buyers with all details, when the bulk production of the garment products is ready for inspection or shipment.

Counter sample: Counter sample means sample copies that are taken at the factory for future reference.

The details attached with the Garments sample:

When samples are made then need to attached some information with sample for buyer easy reference-

- Style Number
- Color Name.
- Fabric Type.
- Size.
- Yarn Quality.
- Sample Type.
- Washing process etc.

Objectives of the sample making:

- To allow the buyer to decide if the production is possible or not.
- Factory also gathers details knowledge about products to make sure if it's possible or not.
- For bulk order sample is made.
- To determine the cost of the products.

Methods of purchasing raw materials:

Here yarn and some related accessories are the main raw materials. The process includes:

- ✚ Lab dip
- ✚ Approval of Lab dip
- ✚ Collect price quotation
- ✚ Negotiation
- ✚ PI Received
- ✚ Bank to bank LC transfer
- ✚ Delivery Challan received.

Order Sheet: Buyers send the details about quantity and size via e-mail. When the sample pricing, quality is satisfying, they send the order sheet. In the order sheet, buyers have to give all the relevant information about specific garments order.

Sales contract Sheet: Buyers confirm the order sending a signed contract sheet by mail. When the sample, pricing, quality, delivery, time, and schedule etc. can please the buyers then they confirm order by sending this type of signed contract sheet. After getting sales contract from buyers the merchandiser proceeds to bulk production.

Bulk Production:

When the buyer approves the developed samples then the bulk production starts and then new orders start coming in. Mostly, both merchandiser of the buying house and factory merchandiser looks over the bulk order. The most important job of the merchandiser is following up and look through the production process if everything is running as planned and to finish the order within the time frame of delivery.

To know better about the tasks of a merchandiser and how they are involved in different production stages are discussed. The stages of production are-

Yarn collection: The yarn in the market can be found in different fiber compositions. Therefore, the quality of yarn determines the final product, so it is the most important component of producing a garment. It can either be cotton or blend of various fibers. Zon Ron uses following yarn for bulk production—

For Cotton order--

- 100% Cotton 2/32
- 100% Cotton 2/20
- 100% Cotton slab yarn
- 100% Cotton tape yarn
- 100% Cotton tube yarn

For Viscose order—

- 100% viscose 2/30
- 100% viscose slab yarn
- 70% viscose, 30% nylon
- 80% viscose, 20 nylon
- 50% viscose, 50% cotton etc.

For Acrylic order—

- 100% Acrylic 2/32
- 50% Acrylic, 50% Viscose
- 50% Acrylic, 50% Cotton
- 50% Acrylic, 50% polyester
- 100% Acrylic cotton like
- 100% Acrylic cashmere like
- 100% Acrylic mohair like etc.

Zon Ron Sweaters Ltd. collects yarn from both local and foreign markets. For local market, they are collecting yarn from Daeyu Bangladesh Ltd, Queen South Textiles Ltd, Tamishna yarn dyeing Ltd, Everway dyeing Ltd, Wangs Textiles Ltd and so on. For foreign market, they mostly collect yarn from China Company to meet buyers' requirements. Firstly, the yarn providers are contacted by the merchandisers and then they are asked to provide yarn samples to assure the quality.

Furthermore, they are dealt to negotiate the lead time and price if the order is placed. This process does not finish here, the merchandiser has to look after the spinning process of the yarn before the raw material is delivered and in housed after assuring quality being checked. After the yarn consumption from technical manager, we have prepared this sheet for bulk dyeing order. Based on this sheet the concern merchandiser gave the dyeing order for various styles.

CONSUMPTION										DATE: 9-JAN-2018
80% VISCOSE 20% NYLON + LUREX										
SL. NO.	STYLE/BUYER	COLOR/PANTONE	G	WT/DZ. IN LBS	WASTAGE	TTL WT.	ORD QTY	REQ. YARN	REMARKS	
1	182CAR459-72/OVS EX-ST # P977	TBC	12	7.13	10%	7.84	10,000	6,536 Lbs	100% VISCOSE 2/30	
2		TBC		1.56	10%	1.72	10,000	1,430 Lbs	100% NYLON 2/40	
3		TBC		0.06	10%	0.07	10,000	55 Lbs	LUREX	
TOTAL				8.75		9.63		7,966 Lbs		
	COLOR	ITEM/QTY		VISCOSE	NYLON	LUREX				
	TBC			6,536 Lbs	1,430 Lbs	55 Lbs				

Figure 4: Consumption for Bulk Yarn Order

Preparing Accessories List:

A merchandiser must know the total accessories that are being used in the production process of a product and the calculate an estimate cost of it. Gradually, I came to know how to prepare an accessories list. There are various kind of accessories and different sort of work done in the production level.

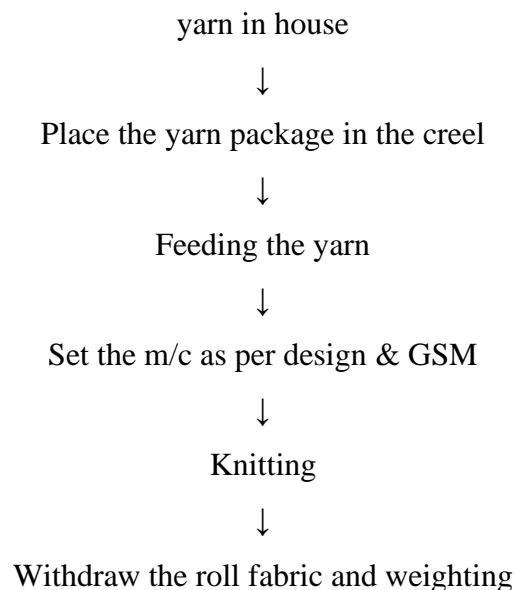
- Threads** : There are numerous kinds of threads such as: 20/2, 20/3, 40/2, 40/3, 40/4, 50/2, 50/3, etc.
- Label** : Main label, size label, care label, bar label.
- Zipper** : There are two types of zipper, lock and unlock zipper.
- Button** : There are three types of button Metal button, plastic button, and clear

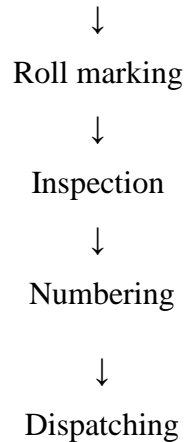
button. The buttons also have different sizes: 142, 18 c etc.

- Tag** : There are three types of tag- hang, price & joker.
- Tag pin** : It is necessary for Hang tag and other tag.
- Hanger** : Sometime buyer wants hanger with final goods.
- Poly** : Primary cover of the products.
- Cartons** : The container of the products. There are two types of carton-inner Cartoon & master carton.
- Color chip** : Specific remarks for specific company.
- Metal Chip** : For the carton some metal clips are needed.

Knitting: The knitting starts when the yarn is in house. There are three types of fabric manufacturing process and they are weaving, knitting and non- weaving knitted fabric produced by loop forming. In the today's world these fabrics have a huge demand. For manufacturing of knitted fabric, process flow chart of knitting technology is given here-

Process Flow Chart for Knitting





Dyeing: The next stage is dyeing. To bring the exact colors required by the buyers, a very complex procedure is followed to blend the chemicals to get the exact color. Buyers' send the color card to the merchandiser and they give the color card for further actions. Finishing is required after dyeing for giving the final touch so that the fabric gets the quality which required by buyer.

Cutting: The finished fabric is then passed on to the cutting section. By the given measurement of the buyer, the fabric is then given its shape in all different required sizes by cutting it.

Prints and embroideries: After cutting the garment in sizes, the garment is passed to be decorated if necessary. If required by the buyer, then the garment gets its print label or embroideries done.

Sewing: After prints and embroideries (if required), the garment is sewed to make a whole one-piece in the sewing section.

Washing and Finishing: The garment is then washed and ironed and gets passed into the finishing section through quality control department. The quality control department checks if there is any problem with the product and if necessary, it gets rejected.

Packing the garments: If everything goes right then the garment gets packed but before packing some accessories need to be attached like price ticket, hand tag, poly bag, main label size label

etc. During packaging, buyer instructions must be followed. The packaging must be done according to the ratio and style number. There are two types of ratio such as assortment and solid.

Final Inspection: After packing the garments are finally inspected by the senior quality controller of the buying house or buyer. Few buyers send third party to inspect the products. If they are satisfied after inspection then the product is ready for shipment.

Financial Department

There are two types of financial transaction process of merchandising of Zon Ron Sweaters Ltd.

Cash Inflow:

The cash inflow of the buyer is the only unique source for the RMG section. After meeting all the requirements and preparing the products, the buyers check the products randomly. If so, make sure your requirement is up to the mark, so let us know to take the shipment. In Bangladesh, almost maximum export payment is done by the L/C process. Zon Ron Sweaters Ltd also maintain its transaction via L/C procedure.

Letter of credit:

A letter from a bank guaranteed that a buyer's payment to a vender will be received on time and for the exact sum. Within the occasion that the buyer is incapable to make payment on the purchase, the bank will cover up the total remaining sum of the purchase.

Cash outflow:

When the order gets confirmed by the buyer the merchandiser has to collect various raw materials like yarn, accessories, trims etc. from different national and international suppliers. Therefore, the suppliers get huge order directly from merchandisers. So, all transactions and payment against these orders are carefully processed by merchandisers.

Commercial:

Bank Address	<ol style="list-style-type: none">1. Shahjalal Islami Bank Limited Gulshan Branch 40/5 North Avenue, Gulshan Circle-2 Dhaka-1212, Bangladesh SWIFT Code: SJBLBDDHGUL2. Midland Bank Limited Gulshan Branch NB Tower (Level-5) North Gulshan Avenue Circle-2 Dhaka -1212, Bangladesh SWIFT Code: MDBLBDDHXXX
Mode of Payment	100% irrevocable & transferable L/C at sight
Mode of Delivery	FOB and CFR basis
Shipment Lead Time	90 days for local yarn & accessories 120days for imported yarn & accessories.

L/C opening procedures in Bank:

The importer after accepting the ProForma invoice from the exporter by applying for the issue of a documentary credit the importer demands his bank to create a guarantee of payment to the provider. Clearly, the bank will only concur to this request in case it can depend on reimbursement by the applicant. As a rule, acknowledged as the sole security for the credit especially in case they are not the short of product that can be exchanged on an organized market such a course of action would include the bank in excessive risk outside its specialist field. Once the company is confirmed that the provider has the capacity to do the work legitimately at that point, they negotiate the price. When the price is set with the supplier the commercial department immediately transfers the master L/C within the title of provider.

Liaison with the shipping lines:

In the final step of merchandising, commercial manager helps to maintain liaison with shipping lines. The supplier performs all the procedure of shipment and there is different procedure which is done by the commercial manager like UD collection, CNF for shipping.

Marketing Department

Market Strategy of Zon Ron Sweaters Ltd.:

Marketing strategy plays a vital role behind the success of any company. Marketing strategy is beneficiary because it forms a plan of the necessary steps that has to be taken in the present and the future for the betterment of the company. It informs consumers about the products and services that are being provided. It helps the company to decide which category of customer it will serve and how. It divides the total market into smaller segments, selects the most promising segments and focuses on these segments and works on it to satisfy the customers. Without marketing strategy, it is impossible to run a successful business. You have to let people know about the products you offer.

Zon Ron Sweaters Ltd. has marketing strategy emphasis on the following facts:

Market Segmentation

Market targeting

Positioning

Market Segmentation:

Partitioning a market into particular bunches of buyers who have diverse needs, characteristics or behaviors and who might require separate items or marketing programs. Zon Ron Sweaters Ltd. primarily center on following market portions.

Geographic Segmentation

Geographic segmentation focuses out in partitioning the market into distinctive geographical units such as countries, nations, cities or even neighborhoods. A company may choose to function in one or more zones but must pay consideration to the contrasts in need and wants. As Zon Ron Sweaters Ltd. is 100% export-oriented company. Zon Ron Sweaters Ltd produces sweaters and sells of them to different counties.

Zon Ron Sweaters Ltd. only focus following geographic segmentation. These are: -

Country:

Zon Ron Sweaters Ltd. exported sweaters for varies nations or countries. Currently, they are working with buyers from Italy, USA, Germany, France, and Poland. Zon Ron Sweaters Ltd. Produces Sweaters for people warm. That's what they selected country where have very cold weather and they need cloth for warm. The specific countries which are our buyers are given below...

Italy: They have a buyer from Italy which is OVS brand. The main buyer of Zon Ron Sweaters Ltd right now. Because they have taken more than 2.5 million order from OVS.

Germany: Zon Ron has another big buyer from Germany. The name of the buyer is LIDL. LIDL also a well-known brand for export industry for their big volume of quantity.

France: Zon Ron exported goods to France. The name of the buyer brand is CAMAIEU. CAMAIEU is very popular brand for sweaters area. Because of their quality products.

Poland: LPP is well known brand of Poland. They have some department like Ladies-Sinsay's, Girls-Reseve, Mans-Cropp etc.

Demographic Segmentation:

Demographic segmentation of the market comprises of bunches based on factors such as age, gender, family size, income, occupation, education, religion, race and nationality.

Zon Ron Sweaters Ltd. gives their concern in following demographic segmentation: -

Age:

The consumers' needs and wants change depends on their age. In Zon Ron Sweater Ltd. generally there is no age limitation. At the moment Zon Ron Sweaters focuses to produce more products for children. Because of easy production and as less time is consumed. Zon Ron Sweaters Ltd. produces sweaters for all age like...

0-10: Every Sweater company like to produces children goods for easy to production and less time consuming. Zon Ron also likes to take children's' order more because of these benefits. Last Year Zon Ron shipped children sweaters approx. 1.5 million.

11-20: Zon Ron produces sweaters for 11 to 20 years people. But the quantity is less. Because the requirements of the quality of the buyer for this age people is so high. The main disadvantage is if the goods qualities don't fulfill the buyer requirement, they have imposed discount.

21- Above: After children order, Zon Ron take this age order more. Because the design of the sweaters almost same all the time. So, if the design of the goods become same the productivity like higher than new design.

Gender:

Gender is another important demographic segmentation which impacts all the businesses. Zon Ron Sweaters Ltd. produces sweaters for both male and female. But Zon Ron generally produces ladies items the most. So, they focus on ladies' market to fulfill their needs and wants and how to keep it fashionable.

Education:

Zon Ron Sweaters Ltd. Also produces sweaters for school students. They have a buyer that is Sin'sSay one of the departments of LPP brand. They purchased sweaters for school students and the price of those garments are very low.

Behavioral Segmentation:

In behavioral segmentation, customers are separated into bunches according to their knowledge of, attitude towards, use of or response to a product. It is mainly based on the behavior of the customer.

Occasions:

The first form of behavioral segmentation is selling product in different occasions. Occasional products like for Christmas. For Christmas every brand develops few styles and places more orders too. Mainly the order quantity of occasional product is not too big.

Market Targeting:

Market targeting is the method of selecting few fragments which the company needs to attract. After a company has defined market segment it can enter one or numerous of these portions. A company ought to target segments in which it can beneficially generate the most prominent customer value and sustain it over time. A Company with constrained resources might choose to serve only one or a few special segments. A company with a extraordinary number of resources might choose to serve two or more segments. The main target of the Zon Ron Sweaters Ltd in the market is given below...

Italy: The main target of geographic segmentation is Italy as country. Because the country weather and people of there like to purchase warm nice cloth. Zon Ron Sweaters Ltd is doing business with Italian buyer for more than 14 years and the relationship between them are very good.

Germany: For Zon Ron Sweaters Ltd, another very important buyer from Germany which is LIDLE. In Germany people also purchase sweater for warm. Lidle order quantity is big. This is very big advantage for Zon Ron. Because they need big order for running the machines continuously.

Gender: Zon Ron mainly produces Ladies sweaters. Because they are export on this side. Every year more than 80% goods are produced for ladies. It seems that they are capable of maintaining the quality for ladies' sweaters better than gents' sweaters. So their main target is ladies or girls sweaters.

Market Positioning:

Positioning implies making a product possess a clear, unique and desirable place in relation to competitive products within the minds of target consumers. Once a company has chosen which market segments to incorporate, it must choose how it'll differentiate its market offer for each target segment. For Zon Ron Sweaters Ltd. the image that their customers have in mind about their company is the most essential part. The quality of the product, which almost standardizes the whole world, except that promotions are a very important factor. The ongoing efforts have developed a brand image and goodwill for the company. Differentiating the market offer to create a higher and better value for the customer. Zon Ron Sweaters Ltd has differentiated its market offer for each specific fragment. Zon Ron tries to provide the best possible support to the buyer for its quality, timely production and timely shipping.

Marketing Mix of Zon Ron Sweaters Ltd:

A company must pre-plan how much to adjust its marketing mix i.e. 4P's (Product, Price, Promotion and Place) to nearby conditions, at the two closes of the field are standardized and adjusted marketing mixes, with numerous steps in between. The marketing mix is comprising of everything the organization can do to impact the demand for its product or services.



Figure 5: Marketing Mix

Product:

Product implies the goods-and-services combined within the company that's offered to the target market. For the most part, product is that which fulfills customer's needs. Zon Ron Sweaters Ltd. manufactures sweaters for foreign buyers as it is 100% export-oriented company. The company ensures top notch quality of the products. Zon Ron Sweaters Ltd. produces all types of sweaters that satisfies customer's need in different part of the globe.

Zon Ron Sweaters Ltd. manufactures variety product for men and women such as:

- a. **Crew-Neck Sweaters:** A round or Crew neck is a type of sweater that has a round collar or no collar, which is often worn with other layers.
- b. **Cardigan Sweaters:** The cardigan is a casual sweater that goes with any outfit easily. Traditionally, the cardigan has buttons on the front, but the other varieties of the sweater opening open without buttons. Wearing it unfastened makes the

cardigan nearly like a jacket that makes a difference to outline the middle, giving it a gentler and more casual shape much appreciated to its relaxed fabric. In case you need to deliver your dress a visual consistency, attempt to button the cardigan and put on a jacket.

- c. **Pullover Sweaters:** A sweater is a garment designed to cover the torso and arms. A sweater is a pullover or a cardigan, which stands out because the cardigans open in front while the pullovers do not.
- d. **V-Neck Sweaters:** The V-neck sweater can be worn simply alone or with other clothing.

Price:

The amount the company charges for a product or service, or the sum of the value that client exchange for the benefits of having or using the product or service called price. The price of the sweater is decided by the marketing general manager of Zon Ron Sweaters Ltd. In Zon Ron Sweaters Ltd follows penetration pricing strategy which is initially low price for new buyer but after that the price of the products will be increasing. Pricing of products also related with order quantity and design of the garments. . The pricing or methods of children Sweater costing of the Zon Ron Sweater is given below---

At first garment merchandiser should confirm the following items:

- Yarn cost per lbs.
- Accessories cost (Zipper, button etc.)
- Printing & Embroidery cost per dozen.
- Washing cost per dozen.
- Cost of making per dozen.
- Commercial cost per dozen.
- Other cost per dozen.

Yarn cost per dozen: There are different kind of yarn such as cotton, acrylic, wool, polyester, viscose etc. so the yarn price varies based on yarn category. The cotton, polyester and acrylic yarn price are more than other yarn. One example is given below for better understanding.

Suppose,

The buyer OVS forward a sweater order like—

- Yarn: 100% Cotton, 2/32
- Weight: 190gm
- Gauge: 12GG
- Construction: Jersey knit.
- Allover print.

Solution:

- Yarn cost per lbs- \$ 4.5
- Print & Embroidery cost per dozen-\$ 3.00
- Wash cost per dozen- \$ 2.5
- Accessories cost per dozen-\$ 4.00
- Cost of making-\$5.69

Now,

Yarn costing per dozen garment:

Let,

As per garment weight is 190gm for 1pc.

1 dozen= 12 pcs

= (190*12) gm

=2280gm

=5.026lbs (1lb=453.6gm)

After adding 7% wastage, Total yarn needed=5.38lbs.

The yarn cost per dozen stands at=\$(4.5*5.38) =\$24.21

Cost of Making: For find out the CM of the sweater product, you must need following information as given below.

- Monthly total expenditure of the factory with water bill, commercial cost, transportation cost, worker & stuff wages, electricity cost, repairing cost etc in taka. Suppose- 3 core per month.
- Number of machines are running monthly. Suppose-600 machines.

- Number of machines are complete the following order. Suppose-150 machines.
- Production capacity of the following order per hour. Suppose-600 pcs.
- Total working day of the following month. Suppose-26 days.

Solution:

= [{"Monthly total expenditure/ (26*Number of running machine)}]*(Number of machines are complete the order)/produce quality per day.

$$= [{"20000000/ (26*650)}*150]/ {(600)*8}*12$$

$$= [{"20000000/16900}*150]/ (4800*12)$$

$$= (177514.79/4800)*12$$

$$= 443.786 \text{ Taka}$$

$$= \$443.786/78$$

$$= \$5.69$$

This is per dozen garments making cost.

Total FOB cost per dozen= \$(24.21+5.69+3+2.5+4) = \$39.4 per dozen.

With adding buying house commission (here 20%) = \$45.28 per dozen.

Total FOB cost per pcs is = \$45.28/12

$$= \$ 3.773 \text{ per pcs.}$$

Place:

As Zon Ron Sweaters Ltd is 100% export based. They have all the buyers from different countries like OVS from Italy, LIDL from Germany, CAMAIEU from France and LPP from Poland. Our marketing team communicate with Bangladeshi buying house first and they also directly communicate with buyers occasionally. They are going to aboard for collecting information about products and the demand of the products. For our ready products we usually send it by sea and

sometimes in air if buyers are asking us. We have own transportation for collect yarn from suppliers

Promotion:

Zon Ron Sweaters Ltd. does not promote that's due to their reputation and goodwill that made by providing best quality garment product, which is the main promotional tool. The buyers promotes the product or sell them overseas by show casing the samples of the sweaters as they have a very good relationship with all the buyers whom they are currently working with.

Chapter- Four

Findings, Recommendations and Conclusion

Findings:

1. Lack of software system:

Zon Ron Sweaters Ltd. is using their software for operating the organizational activities, but it is not fully efficient compared to others competitors.

2. Doing business only in foreign buyers:

As we know that Zon Ron Sweaters Ltd is a 100% export-oriented company and they only deals with the foreign buyers.

3. Less experienced employees:

Lack of experienced people, they unable to fill up the production expectation. As a result, production cost will be increasing.

4. Less number of employees:

In Zon Ron Sweaters Ltd, some departments need to appoint more workers like packing section, trimming section, linking section etc.

Recommendations:

1. Creating online basis software:

Zon Ron Sweaters Ltd needs their own software for operating the organizational task and see the production process, as others competitors are using advanced softwires. If they take this into consideration then the system could run more efficiently and effectively.

2. Need back up buyers:

Zon Ron Sweaters Ltd are only doing business with few buyers. This is very risky. So, they need to develop new buyers who are offering them better price with big quantity order.

3. Appointing more employees:

Zon Ron Sweaters Ltd needs more skillful worker so that they can able to produces more goods every day. If it is happened it might be decreasing production costs. They also need to appoint a planner and HR head to give some vital planning and information.

Conclusion:

The aim of this report was to build up a guideline which can help someone understand the merchandising easily. A person can easily understand what kinds of documents are needed for merchandising. In this paper I attach different type of documents, live pictures so that anyone can see the papers visually.

By assembling this intern report, I got an overall idea of the RMG industry and gained certain knowledge about sweaters, it really helped me to know the practical work as well. This is a huge industry and continues to discover everything. New garment industries are entering the market in recent years which makes it very competitive. Therefore, the garment industries have to organize their operations and make their activities by knowing the trend of the market. Due to the competitive market garment industries have maintain their assets and liabilities efficiently as a large number of people working in this area. The present scenario in this sector was not good, but in today's date this sector is gaining a lot of currencies, about 75% -80% of our overall economic growth is making our industry is very strong.

I was honored and pleased to work in the merchandising sector of Zon Ron Sweater Ltd. from experience in the internship period I can say that I really enjoyed my internship at Zon Ron Sweater Ltd. from day one as I was curious to know more. I can assure that these internship programs in the clothing company will definitely help me prosper and realize my future carrier at work.

References:

1. Kotler, Philip (2003). "Marketing Management 11th Edition," Inc, USA. Page-20-25.
2. Kotler, Philip (2005). "Principles of Marketing 13th Edition," Inc, USA. Page- 60-64.
3. D. Luck, (2008). "Assessing the marketing environment," 2008-2009. Amsterdam: Elsevier/Butterworth-Heinemann.
4. D. Sakas and N. Konstantopoulos (2010). Marketing and management sciences. London: Imperial College Press.
5. Ties.com/blog/your-guide-mens-sweater-styles
6. R. Mashhur (2016). Fashion Apparel: Lessons from Merchandising sector. Retrieved from Web: <http://fashion2apparel.blogspot.com/2016/12/apparel>